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C O N F I D E N T I A L SECTION 01 OF 02 KHARTOUM 000743

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TAGS: PGOV EFIN EPET SU

SUBJECT: SOUTHERN ASSEMBLY TO CONVENE, FIREWORKS EXPECTED

Classified By: P/E Chief Eric Whitaker, Section 1.4 (b) and (d)

¶1. (C) Summary: The Southern Legislative Assembly is scheduled to convene soon, and a stormy session is anticipated. A disaffected group of MPs has declared its intent to demand of Finance and Economic Planning Minister Arthur Akuien Chol complete details on the transfer of petroleum revenues from the Government of National Unity (GoNU) to the Government of Southern Sudan (GoSS). A second contention involves Assembly Speaker James Wani Igga (SPLM) and Deputy Speaker Tor Deng (NCP), who have not accounted for line item funds budgeted to the Assembly. The session was set up originally to meet on March 22, but was postponed after consultations between Igga and GoSS President Salva Kiir. Salva Kiir told the Charge that the delay was due to his absence, and the Assembly will open after he returns to Juba following the Arab League Summit.

¶2. (C) Meanwhile, a handful of the most powerful MPs -- who are simultaneously presidential advisors, GoSS ministers, and senior SPLM leaders -- are working quietly to use the extra time to prevent a public brouhaha. A weak judiciary coupled with the blurring of lines between the executive, legislative, and the SPLM limits the GoSS ability to police itself. End summary.

A Lack of Transparency

¶3. (C) Several MPs have informed CG that they intend to move quickly after the ceremonial opening of the Assembly to demand that Finance Minister Chol - a member of the Assembly himself - provide a full public accounting of petroleum revenues remitted by the GoNU to the GoSS. The proximate cause of their unhappiness was Chol's long and steadfast public denial that the GoNU had transferred the bulk of funds to the GoSS, a position that he reversed without clear explanation following his return from a March 4 meeting in Khartoum that determined that the GoNU had in fact transferred all but a small percentage of petroleum revenues to the GoSS.

¶4. (C) The lack of transparency in this affair has set the rumor mill abuzz. Some claim that the funds were transferred to a private account; others charge that much of the money has disappeared. While no one has yet provided proof that these allegations are true, no one in the GoSS has transparently addressed the issue. Two MPs have privately told us that they will push for Chol's ouster if he is unwilling or unable to provide a clear accounting for the funds. The tardy payment of the SPLA and civil servants while unspent funds languish in the bank has been a sore point for many southerners.

¶5. (C) A second contention involves funds reportedly provided to the Speaker and his Deputy to purchase automobiles for chairmen of Assembly committees and to

renovate the badly dilapidated Assembly building. The cars have not come and the repairs have not begun, and angry MPs, including footsore committee chairmen, are ready to take the Speaker to task for either misusing the money, or taking no action at all.

Circling the Wagons

¶6. (C) Not all MPs are eager for a public airing of grievances. A dozen or so powerful SPLM insiders who are both MPs and GoSS ministers, presidential advisors, and/or members of the SPLM Politburo or Executive Council are reportedly trying to quell the push for public hearings in favor of a more circumspect approach. They apparently fear that open debate could embarrass the SPLM. Salva Kiir's role in this remains unclear, although one senior GoSS official informed that he believes Kiir will seek to steer clear of the imbroglio. The most vocal proponents of public accounting are SPLM backbenchers.

Comment

¶7. (C) The outcome of the Assembly debate will be a key test for the GoSS on two fronts - its ability to police itself, and its commitment to public transparency. The lack of checks and balances in Southern Sudan poses a serious challenge to public accountability. The judiciary is extremely weak, and some of the most powerful SPLM ministers and presidential advisors number among the most powerful MPs as well. Several also represent the GoSS on the National Petroleum Commission or other key entities and/or hold senior positions on the SPLM Politburo and Executive Council. This

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concentration of influence in the hands of a few individuals is not conducive to any effective separation of powers. On the second front, whether or not the allegations of public corruption can be proven, the GoSS has clearly fallen short in the area of transparency. Obsessive secrecy about issues that should be in the public domain - i.e., petroleum revenues - has stoked speculation of misdeeds and is eroding public confidence in

the ability of the GoSS to manage its internal affairs.

¶8. (C) For his part, Salva Kiir appears to be genuinely against the spread of corruption in the GoSS. It remains to be seen, however, if he has either the will or the political clout to take on this difficult fight and confront some of the SPLM's top officials. So far, he has been reluctant to go public with problems, which may save some embarrassment and leave more room for compromise, but inherently lacks transparency and does nothing to remove corrupt official from government.

STEINFELD